

**TAB 1**

Police Officers' Pension  
Board of Trustees  
July 22, 2009

Board Members Present:

Eric Ball, Chair  
Kenny Bright  
Garry Lowe (entered at 9:50 am)  
Mike Stinson  
Gerald White

Staff and Others Present:

Scott Christiansen, Attorney  
Rusty Creighton, Sawgrass Asset Management  
Bryan Bakardjiev, Bogdahn Group  
Diane Ponder, Deputy Clerk-Administration

Mr. Ball called the meeting to order at 9:30 a.m.

1. APPROVAL OF MINUTES

**MOTION: Mr. Bright moved, Mr. Stinson seconded and motion carried 4-0 to approve the June 1, 2009 minutes.**

2. INVESTMENT REVIEW

Mr. Creighton reviewed the portfolio for the period ending June 30, 2009. The portfolio's balance was \$6,202,758 vs. a March 31, 2009 balance of \$5,755,535. Portfolio allocations are 60% in stocks and 38% in fixed income. Mr. Creighton reviewed the highlights of the performance of the investments, performance of the market and economy, cautioning that it will be a longer recovery than typical.

Mr. Bakardjiev also discussed the stock market's performance, and the rally that is occurring. He opined that if the Board had deviated from 60/40 target asset allocation, the portfolio would not have realized the market's upswing and diversification benefits.

Discussing the portfolio's compliance, Mr. Bakardjiev informed the Board the actual equity at cost was at 63.3% vs. 60% and foreign equity at cost was at 10.58% vs. 10%. He also commented that the portfolio did not have less than four consecutive quarters of under performance relative to the benchmark.

Mr. Christiansen requested that the actuarial assumption rate be reflected at the recently adopted 8%. He also commented that legislation has passed allowing 25% in international. Mr. Bakardjiev recommended that the Investment Policy Statement be revised to reflect the ability to go up to 25% international. He also stated the total equity allocation can be changed to at market value. The Board concurred on receiving a proposed Investment Policy Statement for the next meeting.

3. REVIEW OF EXPENSES

- A) Gabriel Roeder Smith & Company – May, June 2009
- B) Bogdahn Group – April-June 2009
- C) Sawgrass Asset Management – April-June 2009
- D) Christiansen & Dehner – June 2009

The Salem Trust quarterly invoice for June, 2009 was added.

**MOTION: Mr. White moved, Mr. Lowe seconded and motion carried 5-0 to approve the expenses as amended.**

#### 4. ATTORNEY CHRISTIANSEN'S REPORT

The Actuarial Report and Actuarial Impact Statement have all been state accepted; the Plan will receive the state monies.

Reported all Form 1 filings have been completed by the Trustees.

The revised Actuarial Valuation Report will be forwarded to the state when received.

The GRS Contract will be revised to reflect the new calculation fee for the lump sum distribution. The issue with the fiduciary responsibility still remains unresolved.

The ordinance approved with the Internal Revenue Code changes, as well as the legislation changes has been forwarded to the Mayor for City Commission consideration. Conversation has been held with Jim Freeman concerning the Commission's interest in reducing costs. Mr. Palmquist proposed a study for both plans, which City Commission declined to authorize because of the cost. Mr. Christiansen explained to Mr. Freeman that there are limitations in amending benefits because of the state monies involved.

Requested that staff confirm the letter to the state regarding the expected rate of return has been mailed.

Informed the Board the Summary Plan Description will be completed when the pending ordinance is passed.

Mr. Ball discussed the training that is to be undertaken by Trustees every two years. He reported the next training is available during the FPPTA Conference in October at Bonita Springs.

**MOTION: Mr. White moved, Mr. Lowe seconded and motion carried 5-0 to approve expenses to allow anyone to attend the FPPTA Conference training.**

Mr. Christiansen stated that if the City doesn't fund the Police Fund, the state money will not be awarded the plan and that amount will then be added to the City's required contribution. If the City does not fund the required contribution, the state has the authority to discontinue all state revenues to the City.

Meeting adjourned at 10:20 am.

Mike Stinson  
Secretary